

State of Alaska FY2007 Governor's Operating Budget

Department of Environmental Conservation Administration Results Delivery Unit Budget Summary

Administration Results Delivery Unit

Contribution to Department's Mission

Provide administrative support and policy direction to the divisions in the department.

Core Services

- Develop partnerships and work cooperatively with the regulated community and other government and non-governmental stakeholders to protect human health and the environment.
- Lead department employees to accomplish department priorities and performance measures.
- Represent the department's authorities and responsibilities on the Governor's cabinet.
- Work with the legislature on the department's budget and legislative priorities.
- Represent the department's authorities and responsibilities on the Exxon Valdez Trustees Council.
- Adjudicate administrative appeals of department decisions.
- Approve department regulations for public notice and adopt final regulation changes for filing with the Lieutenant Governor.
- Provide administrative support services to customers and clients of the department.
- Develop and implement sound administrative policies and practices for the department.
- Provide timely and accurate information.
- Minimize risk from operations.
- Enforce protective standards for environmental and sanitary practices.

End Results	Strategies to Achieve Results
<p>A: Effective, efficient administrative support.</p> <p><u>Target #1:</u> 90% of survey respondents rate support services at acceptable or higher.</p> <p><u>Measure #1:</u> % of survey respondents rate support services at acceptable or higher.</p>	<p>A1: Lead development and implementation of Department initiatives.</p> <p><u>Target #1:</u> Strategic Plan is 100% implemented by fiscal year 2008.</p> <p><u>Measure #1:</u> % of Strategic Plan implemented.</p> <p>A2: Improve availability, quality, and quantity of data for external and internal users.</p> <p><u>Target #1:</u> Network is available to employees 7 days a week.</p> <p><u>Measure #1:</u> % of time network is available.</p> <p>A3: Ensure compliance with all federal and state requirements.</p> <p><u>Target #1:</u> 100% of audit exceptions investigated and successfully resolved.</p> <p><u>Measure #1:</u> % of audit exceptions investigated and successfully resolved.</p> <p>A4: Investigate criminal violations.</p> <p><u>Target #1:</u> Criminal violations are investigated.</p> <p><u>Measure #1:</u> % of criminal investigations conducted and resolved.</p>

Major Activities to Advance Strategies

- Lead the department to accomplish goals and communicate performance.
- Lead the development of protective standards.
- Work within the government and with stakeholders, the public and the legislature to communicate department initiatives and needs.
- Develop and maintain support services for the department's customers and clients; other agencies, the legislature and department employees.
- Identify departmental training needs and develop training plans.
- Develop enforcement procedures for departmental permitting programs.
- Develop and maintain policies and procedures governing financial, budget, procurement and information systems management.

FY2007 Resources Allocated to Achieve Results

FY2007 Results Delivery Unit Budget: \$6,558,300

Personnel:

Full time 53

Part time 0

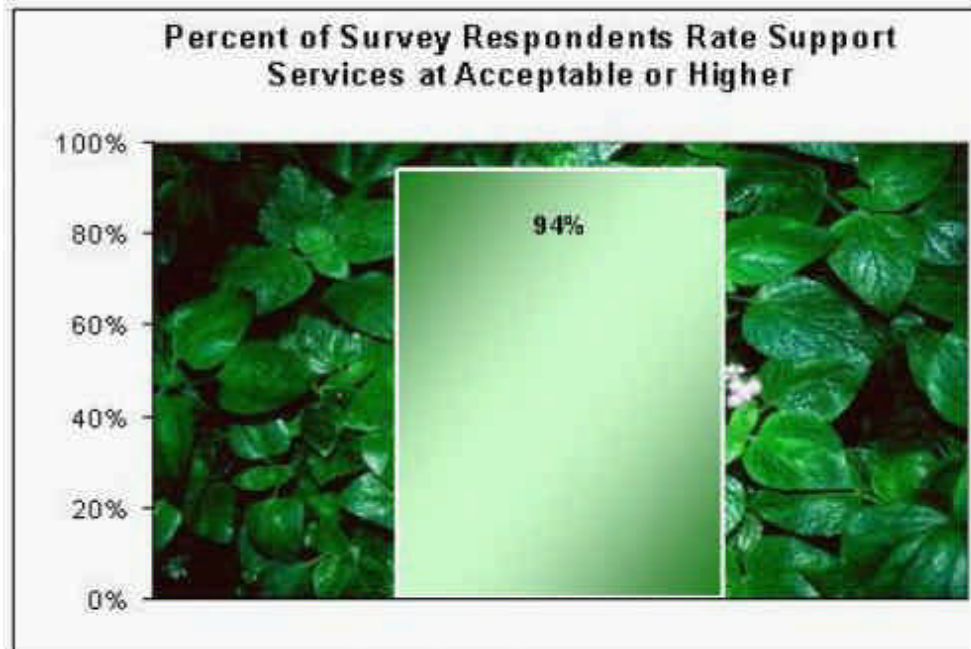
Total 53

Performance Measure Detail

A: Result - Effective, efficient administrative support.

Target #1: 90% of survey respondents rate support services at acceptable or higher.

Measure #1: % of survey respondents rate support services at acceptable or higher.

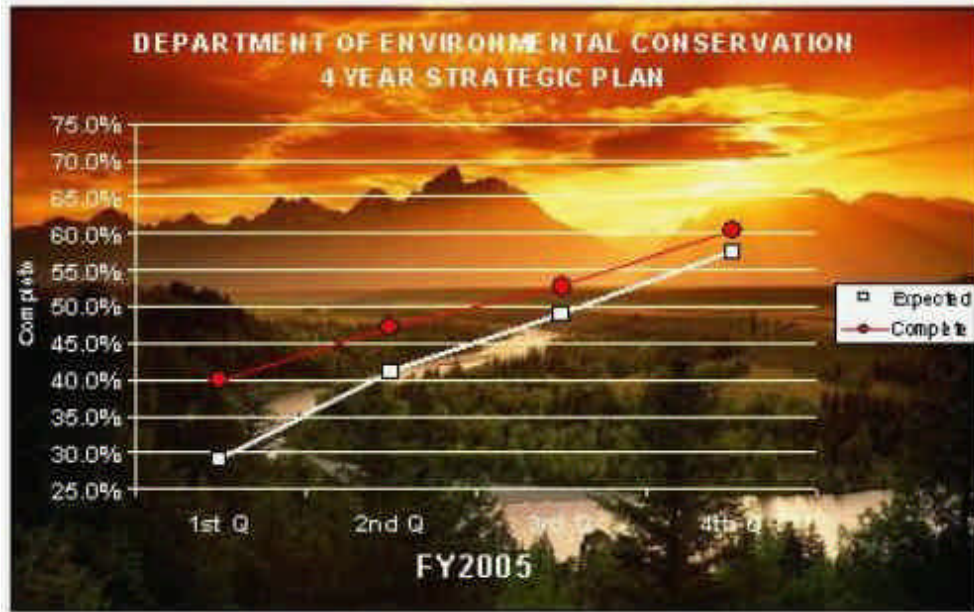


Analysis of results and challenges: Data for this measure is available on an annual basis only. Results from a survey taken in FY2005 show that 94% of the Division's customers are satisfied with the support services being provided.

A1: Strategy - Lead development and implementation of Department initiatives.

Target #1: Strategic Plan is 100% implemented by fiscal year 2008.

Measure #1: % of Strategic Plan implemented.



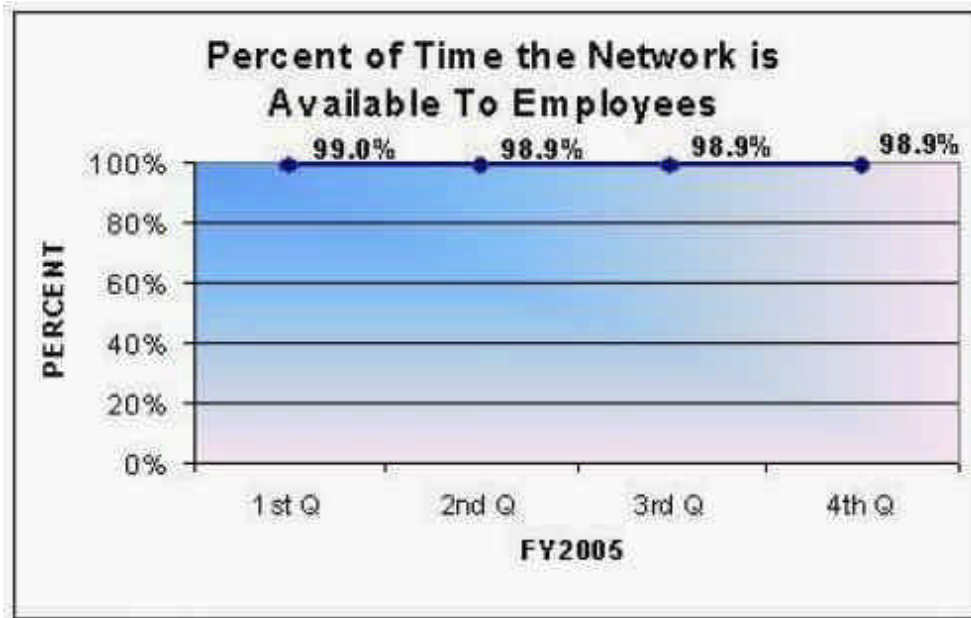
Analysis of results and challenges: DEC's strategic framework is based on the premise that, if we fulfill our duties (statutorily mandated) and accomplish our mission, the ultimate result will be that public health and the environment will be protected. We do this by influencing external entities to prevent abate or control pollution or to utilize safe sanitary practices through comprehensive protection programs. We don't prevent pollution or unsafe sanitary practices - we influence others to take preventative action and establish standards by which to measure success.

This measure determines the department's progress against a comprehensive Four Year Strategic Plan. Progress is measured against expected results for individual projects, and averaged over the department. Within the four year plan, performance exceeds expectations.

A2: Strategy - Improve availability, quality, and quantity of data for external and internal users.

Target #1: Network is available to employees 7 days a week.

Measure #1: % of time network is available.

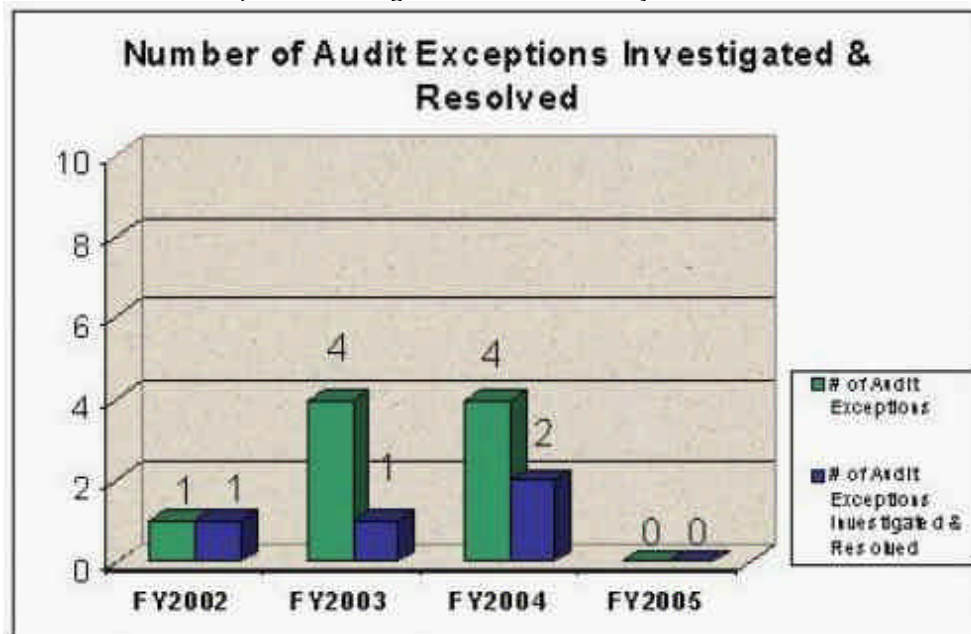


Analysis of results and challenges: During FY2005 the Network Services Section was able to successfully provide network services 7 days a week. Routine maintenance downtime was limited to short periods during the off hours.

A3: Strategy - Ensure compliance with all federal and state requirements.

Target #1: 100% of audit exceptions investigated and successfully resolved.

Measure #1: % of audit exceptions investigated and successfully resolved.



Analysis of results and challenges: Data for this measure is available on an annual basis only. The statewide single audit is performed annually and results are published upon completion. Quarterly data is therefore not available.

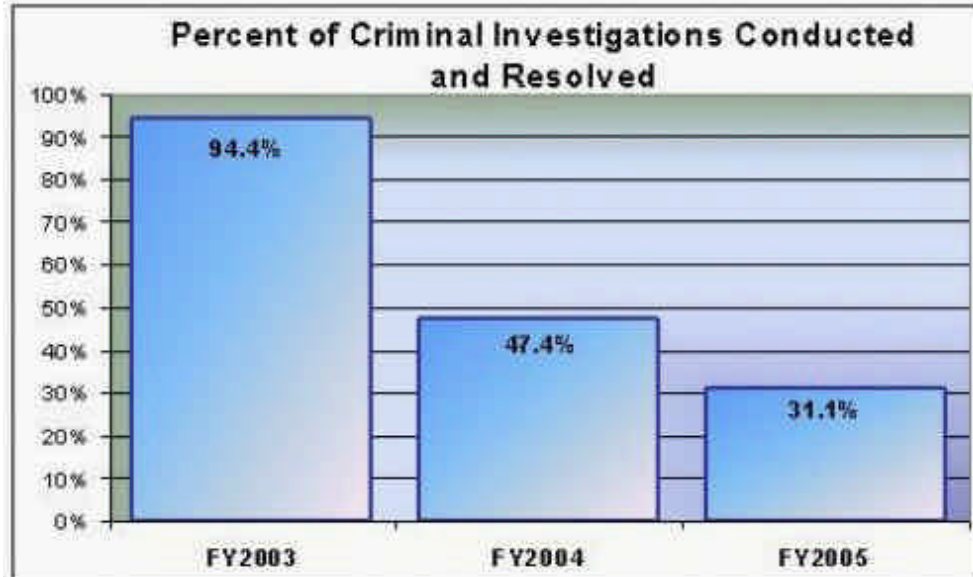
The statewide single audit for FY2004 was released on September, 2005. The investigation of these new

exceptions has just begun. The statewide single audit results for FY2005 will not be available until September of 2006.

A4: Strategy - Investigate criminal violations.

Target #1: Criminal violations are investigated.

Measure #1: % of criminal investigations conducted and resolved.



Analysis of results and challenges: Normally environmental violations are enforced by ADEC's regulatory staff through administrative or civil remedies. However, when harmful conduct becomes intentional, knowing, or reckless, criminal enforcement must be considered.

The Environmental Crimes Unit is responsible for investigating the most complex and egregious violations of environmental law. Violators must be identified and sufficient evidence collected in order to successfully resolve an investigation. The effectiveness of this unit can be measured by its ability to successfully resolve a high percentage reported criminal violations.

There were 45 criminal investigations initiated by the Environmental Crimes unit in fiscal year 2005. Of those 45 investigations 14 have been resolved and the remaining 31 were still under investigation at the end of this reporting period. Due to the complexities of many of these investigations, they are not resolved in the same fiscal year as reported, but will be resolved in the following fiscal year.

Key RDU Challenges

- The Commissioner's Office clearly communicates to the public and affected stakeholders what services can be realistically expected from the department's human and fiscal resources.
- The department has a large volume of data that is not easily accessible and we need to continue with our data integration efforts. This effort requires the conversion of numerous Access databases into the department standard SQL server with common indexes which are accessible across the divisions. Additionally, it will provide a common facility mechanism to be used as a shared key across divisional data stores. This will assist stakeholders within state government and without in accessing, filtering and using a broader set of related data for making good business decisions.
- Hiring and retaining competent staff continues to be a challenge. Due to higher salaries and benefits offered by the private sector, the department continues to lose good employees; impacting our ability to manage programs successfully.
- The department will continue to identify areas that can be managed in a more efficient manner and implemented as identified.

Significant Changes in Results to be Delivered in FY2007

None.

Major RDU Accomplishments in 2005

The department was very successful in working with interested stakeholder work groups and the public on the following major state policy issues:

Better Permitting

The Commissioner's Office continued the department's focus on strengthening water and air permitting. Permits are essential to environmentally responsible development. They provide important information about impacts on the environment. A permit provides all stakeholders the opportunity to learn about a proposed project, comment, and receive a substantive response from us before final decisions are made.

At the outset of the Murkowski administration one of our most critical needs was for improvement in air permitting. Our program was simply inadequate. We had a budget sized for a state of 600,000 people, but write as many permits as the State of Colorado with 4 ½ million people. Permit reform and streamlining is now structurally complete – all statutory and regulatory changes are finalized. Streamlined services with shorter, predictable permit delivery are being accomplished. However, additional improvements are still expected in FY2006 and FY2007 as performance audits and quality management tools provide important feedback on how well the reform is accomplishing each of its intended goals.

The Commissioner approved a complete overhaul of the regulations that we use to protect Alaska's water. We began with raindrops and followed water to the ocean to identify gaps in our present regulations. This work is long overdue. One of the major environmental benefits will be a comprehensive approach to groundwater, a resource that is inadequately protected now.

In FY2005, new legislation was passed directing DEC to seek primacy for the National Pollutant Discharge Elimination System (NPDES) wastewater permitting program currently managed by EPA in Seattle. NPDES program development has been initiated and beginning in FY2008, permitting, compliance and enforcement will be done by Alaskans who are knowledgeable about Alaskan conditions. DEC is also developing regulations that: 1) provide for department automatic authorization, or "permits by rule", for lower risk wastewater discharges which meet specified eligibility, minimum standards and practices, notification, and fee requirements; 2) that establish best management practices for small cruise ships discharges based on new legislative direction; 3) improve water quality standards and ensure they reflect current science and legislative direction; and 4) integrate the department's permitting of projects with multiple waste streams, such as mines, and update the rules governing financial responsibility for mine closures in conjunction with the Department of Natural Resources.

In other areas staff:

- Revised the department's mining rules to improve the regulations for mine tailings disposal and financial responsibility for mine closures.
- Revised the low-interest municipal loan program to allow communities to borrow for projects that address nonpoint sources of water pollution such as storm water run-off, landfill leachate and harbor wastes. Eight communities have applied under the new guidelines, primarily to protect groundwater.
- Updated the village safe water requirements to reflect expectations for sustainability of sewer and water facilities.
- Collected important data of Alaska's coastline through the Environmental Monitoring and Assessment Program to assess the health of our waterways.

Improved Oil Spill Safety and Economic Redevelopment of Contaminated Sites

Legislation introduced by the Governor to increase on-the-water spill drills, equipment testing and inspections has resulted in a 30% reduction in spills from regulated facilities. This significant accomplishment is the result of shifting from paperwork to practice through more practical development of reliable response skills for both government and industry. The benefit has also shown in the very successful response to a major oil spill in the Aleutians caused by the Selendang Ayu. The response implementation of the state's zero tolerance policy for protecting Alaska's wild salmon, Pollock, and crab resulted in record harvests, no contamination of seafood product and no depression of market prices as a result of the spill. The combined value of these fisheries was over \$600 million.

Economic redevelopment of contaminated sites through an innovative risk based approach for cleanup has resulted in the reuse of contaminated properties in Fairbanks for construction of a WalMart, Home Depot and Fred Meyer stores. Other reuse successes include the revitalization of a seafood processing facility in southwest Alaska and redevelopment of the closed pulp mill sites in Sitka and Ketchikan.

Effective Food Safety Statewide

The Commissioner initiated a complete redesign of our food safety program. Our previous approach depended heavily on regular site inspections and was virtually impossible to deliver consistently across our large and roadless state. Our new approach follows NASA's successful program developed for the manned spaceflight program. It relies on operator certification, restaurant specific risk management and rigorous enforcement by DEC. This new program will provide equal protection from Metlakatla to Barrow. It will hold owners and operators responsible for knowing how food becomes contaminated and assures that standard operating procedures protect their customers. We will move from the spot inspection of the past to mandatory every-day management systems. We plan to implement food safety regulations in FY2007.

Better Understanding of Public Health Threats

Funding was secured for two important studies to protect public health. The first study measures the effects of exposure to diesel exhaust in rural Alaska. As a result of human health studies, EPA is requiring ultra low sulfur fuel for diesel trucks and buses by 2007. While there are few trucks and buses in rural Alaska, every community depends on diesel generators for electricity. National initiatives will not help us decide the safest course for Alaskans. We are now gathering the necessary health information ourselves.

Funds were also allocated to complete fish tissue sampling to measure mercury in Alaskan species. Both the EPA and the FDA have issued repeated warnings about exposure to mercury in fish. We are continuing this study to provide Alaska specific information about the quality of our subsistence, sport caught and commercially harvested stocks. The average consumption of subsistence caught fish in Alaska ranges from 10 to 20 times more than the consumption levels used by EPA. The commercial catch is important too. Alaska's 5 billion pound harvest represents over 50% of the total US commercial catch.

Contact Information

Contact: Mike Maher, Administrative Services Director
Phone: (907) 465-5256
Fax: (907) 465-5070
E-mail: Mike_Maher@dec.state.ak.us

Administration
RDU Financial Summary by Component

All dollars shown in thousands

	General Funds	FY2005 Actuals Federal Funds	Other Funds	Total Funds	General Funds	FY2006 Management Plan Federal Funds	Other Funds	Total Funds	General Funds	FY2007 Governor Federal Funds	Other Funds	Total Funds
<u>Formula Expenditures</u>												
None.												
<u>Non-Formula Expenditures</u>												
Office of the Commissioner	308.8	291.6	9.9	610.3	374.1	374.1	46.0	794.2	394.9	395.4	48.0	838.3
Information & Admin Services	516.0	991.1	4,931.8	6,438.9	548.2	1,043.8	2,354.9	3,946.9	574.6	1,093.7	2,452.0	4,120.3
State Support Services	1,206.7	124.9	205.7	1,537.3	1,244.5	124.9	222.5	1,591.9	1,252.3	124.9	222.5	1,599.7
Agency-Wide Unallocated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals	2,031.5	1,407.6	5,147.4	8,586.5	2,166.8	1,542.8	2,623.4	6,333.0	2,221.8	1,614.0	2,722.5	6,558.3

Administration
Summary of RDU Budget Changes by Component
From FY2006 Management Plan to FY2007 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	2,166.8	1,542.8	2,623.4	6,333.0
Adjustments which will continue current level of service:				
-Office of the Commissioner	20.0	20.5	1.9	42.4
-Information & Admin Services	25.4	47.9	93.2	166.5
-State Support Services	5.7	0.0	0.0	5.7
Proposed budget increases:				
-Office of the Commissioner	0.8	0.8	0.1	1.7
-Information & Admin Services	1.0	2.0	3.9	6.9
-State Support Services	2.1	0.0	0.0	2.1
FY2007 Governor	2,221.8	1,614.0	2,722.5	6,558.3